



Van H. Wanggaard

Wisconsin State Senator

Senator Wanggaard Testimony in Favor of Senate Bill 274

Senate Committee on Judiciary, Utilities, Commerce, and Government Operations

January 25, 2012

Thank you, Chairman Zipperer and Members, for today's hearing on Senate Bill 274, which brings Wisconsin's scrap plastic laws in line with existing scrap laws for metal. I am pleased to appear today with Rep. Endsley in support of this legislation.

It may seem surprising, but the theft of bulk plastic is becoming an increasing problem for Wisconsin's beverage industry. I was first alerted to this problem while touring a Dr. Pepper Snapple distributor in my district in Mount Pleasant. This is a real challenge for distributors and, in fact, the Wisconsin Beverage Association estimates that bulk plastic theft results in an industry loss of more than \$1 million annually.

While at first blush this may seem like a complex proposal, in fact it merely amends existing scrap metal statutes to include bulk plastic. Further, it narrowly defines bulk plastic to include only plastic pallets, crates, or shells used by the beverage industry to transport bottled beverages. *This bill will in no way affect the average consumer who recycles his or her plastic bottles and milk containers.* Instead, by simply requiring scrap dealers to keep a record of information at the point of sale, this bill will discourage would-be thieves of bulk plastic.

Assembly Bill 363, the companion to SB 274, passed the Assembly Committee on Natural Resources on a unanimous 14-0 vote. The bill has numerous supporters, including the Wisconsin Beverage Association, the Institute of Scrap Recycling Industries, and Miller Coors LLC. During the public hearing, no one testified or registered in opposition to this legislation.

I urge the Committee's quick passage of Senate Bill 274, so that our bottlers and distributors can worry less about theft and more about creating and retaining jobs in Wisconsin.

Serving Racine County - Senate District 21



MIKE ENDSLEY

STATE REPRESENTATIVE • 26TH ASSEMBLY DISTRICT

Representative Mike Endsley

Testimony before the Senate Committee on Judiciary, Utilities, Commerce, and Government Operations

2011 Senate Bill 274

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Chairman and members, I appreciate the opportunity to speak to you today. I am proud to author a bill intended to help address the increasing problem of the theft of plastic crates, pallets and shells for scrap resale. We are introducing this bill on behalf of local beverage distributors in our respective districts, and to protect consumers that ultimately pay higher prices as a result of these thefts.

Senate Bill 274 would amend Wisconsin Statute 134.05 by adding plastic bulk merchandise containers to the existing scrap metal statute. Plastic bulk merchandise containers are defined as *a plastic crate, shell or pallet used by a product producer, distributor, or retailer for the bulk transportation or storage of retail containers of bottled beverage products.*

By including plastic bulk merchandise in Wisconsin Statute 134.05 scrap plastic dealers who purchase plastic bulk merchandise containers would be required to maintain records necessary to establish "a seller's right" to sell such a container. As a result of requiring scrap recyclers to keep and obtain pertinent information, Wisconsin bottlers and plastic companies will be able to participate in the Institute of Scrap Recycling Industries (ISRI) ScrapTheftAlert.com. This website is a new online theft reporting system available to law enforcement and recyclers free of charge, designed to address the growing problem of plastic crates and shells being stolen and sold to scrap recyclers.

Every year, Wisconsin bottlers are experiencing a large loss from those who steal beverage crates and shells and then sell large quantities of these shells and crates to plastic recycling regrind operators. The Wisconsin Beverage Association estimates that the industry loss exceeds \$1 million annually as a result of this theft.

While plastic companies are taking steps, internally, to prevent the theft of plastic soda crates and shells this will aid in helping this industry address a serious and costly issue. By requiring scrap recyclers to keep and obtain pertinent information Wisconsin bottlers will be better situated to address this growing problem. Similar laws have been established in Texas and Arizona, with legislation pending in a number of other states.

This bill is a common sense way to prevent the sale of plastic soda crates and shells. Senate Bill 274 enables plastic companies and bottling companies to better address this theft that have negatively affected these industries. When companies have to spend money to replace stolen pallets this can mean higher costs being passed onto consumers and less money available for hiring new workers. I would encourage you to support this legislation so that plastic companies are better situated to address this costly issue that negatively affects their business; and can have a negative impact on consumers.

I would be happy to answer questions at this time.



Lisa Harmon
President

George Liegel
Vice President

**Public Hearing, Senate Committee on Judiciary, Utilities, Commerce, and Government Operations
Testimony in Support of Senate Bill 274
January 25th, 2012**

Good afternoon Chairman Zipperer and distinguished members of the Senate Committee on Judiciary, Utilities, Commerce, and Government Operations. My name is Les Blankenship. I am a Distribution Center Manager for Coca-Cola Refreshments and live in Menomonee Falls. I am also a member of the Wisconsin Beverage Association Executive Board. The beverage association - which is comprised of Pepsi, Coke and Dr. Pepper-Seven Up bottlers - employs some 3200 working men and women in manufacturing and distribution facilities throughout the state of Wisconsin. I appreciate the opportunity to appear before you today on behalf of the association to ask for your support of Senate Bill 274. This bill is an important part of an overall strategy to stem the theft of plastic pallets and plastic soda shells for scrap resale.

Bottlers are experiencing a large loss every year from scavengers who take beverage shells from the back of stores and sell them to plastic recycling regrind operators. This is a universal beverage industry problem, one that is costing Wisconsin bottlers more than \$1 million annually. This bill will help aid in the recovery of stolen material and we believe will also serve as a deterrent.

In addition to this legislative remedy, the industry is taking steps internally and in coordination with scrap recyclers to address this costly problem.

Within our bottling operations, systems are being internalized to treat the trays/pallets as inventory. Drivers are responsible for them, just as they are responsible for product. Trays/pallets are checked out every day and they are checked back in at the end of the day. It takes increased coordination within a company's business units, but budget dollars that continually went toward purchases of new trays/pallets are now put back into operations.

The beverage industry in Wisconsin and nationally is also working with scrap dealers through the Institute of Scrap Recycling Industries, Inc. (ISRI), the trade group of recyclers, salvage yards, and scrap yards. ISRI has been active in attempts to reduce the purchase of stolen materials. In fact, they have a dedicated website – ScrapTheftAlert.com – that brings their members together with businesses and the police to report and watch out for stolen materials. ISRI has also put our bulk containers on a “Do Not Buy” list for their members. In seeking a legislative solution in Wisconsin with the Wisconsin chapter of ISRI, it was determined that the bill should simply amend the existing reporting and recordkeeping for scrap metal under Chapter 134 by adding “bulk plastic merchandise containers” as a covered material.

In closing, I would like to thank Senator Van Wanggaard, Representative Mike Endsley and others who signed on as cosponsors of this bill. As Wisconsin bottlers, we appreciate your interest in working with us to address this costly problem. Thank you and I would be happy to answer any questions.